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**FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana**

**General Purpose Financial Statements
With Accountant's Compilation Report
As of and for the Year Ended
December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/13/05

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
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General Purpose Financial Statements
With Accountant's Compilation Report
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Member American
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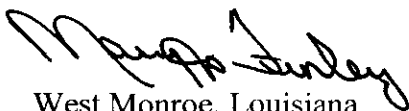
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Louisiana Certified
Public Accountants

Accountant's Compilation Report

BOARD OF COMMISSIONERS
FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana

I have compiled the general purpose financial statements, as listed in the foregoing table of contents, of the Fire Protection District No. 6 of Bienville Parish as of December 31, 2004, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



West Monroe, Louisiana
March 18, 2005

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 2004

	GENERAL FUNDACCOUNT GROUPS.... GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash and cash equivalents	\$101,000			\$101,000
Receivables - ad valorem taxes	128,423			128,423
Land, buildings, and equipment		\$1,143,104		1,143,104
Amount to be provided for retirement of general long-term debt			\$98,820	98,820
TOTAL ASSETS AND OTHER DEBITS	<u>\$229,423</u>	<u>\$1,143,104</u>	<u>\$98,820</u>	<u>\$1,471,347</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$7,666			\$7,666
Lease payable			\$98,820	98,820
Fund Equity:				
Investment in general fixed assets		\$1,143,104		1,143,104
Fund Balance - unreserved - undesignated	221,757			221,757
Total Fund Equity	<u>221,757</u>	<u>1,143,104</u>	<u>98,820</u>	<u>1,463,681</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$229,423</u>	<u>\$1,143,104</u>	<u>\$98,820</u>	<u>\$1,471,347</u>

See accompanying notes and accountants' compilation report.

Statement B

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Ad valorem taxes	\$126,000	\$132,130	\$6,130
State grant		3,264	
Intergovernmental revenues:			
Fire insurance rebate	5,000	6,032	1,032
Other		5,266	5,266
Use of money and property	800	588	(212)
Total revenues	<u>131,800</u>	<u>147,280</u>	<u>15,480</u>
EXPENDITURES			
Public safety:			
Current:			
Personal services	18,400	17,344	1,056
Operating services	76,000	56,876	19,124
Materials and supplies	7,500	6,906	594
Travel and other	5,000	2,742	2,258
Capital outlay	52,000	4,687	47,313
Debt service	30,000	27,007	2,993
Intergovernmental	4,500	4,121	379
Total expenditures	<u>193,400</u>	<u>119,683</u>	<u>73,717</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(61,600)	27,597	89,197
FUND BALANCE AT BEGINNING OF YEAR	<u>72,000</u>	<u>194,160</u>	<u>122,160</u>
FUND BALANCE AT END OF YEAR	<u>\$10,400</u>	<u>\$221,757</u>	<u>\$211,357</u>

See accompanying notes and accountants' compilation report.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements
As of and for the Year Ended December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fire Protection District No. 6 of Bienville Parish was created by the Bienville Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492 on July 13, 1977. The district is governed by a five member board, two members appointed by the police jury, one member appointed by the Town of Castor, one member appointed by the Town of Bienville, and one appointed by board members. Board members serve without compensation. The district is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the district.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Bienville Parish Police Jury is the financial reporting entity for Bienville Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for the which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's component unit financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the Bienville Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body,
and
 - a. The ability of the police jury to impose its will on
that organization and/or
 - b. The potential for the organization to provide
specific financial benefits to or impose specific
financial burdens on the police jury.

**FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)**

2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints two of the fire district's governing body, the agency was determined to be a component unit of the Bienville Parish Police Jury, the financial reporting entity. The accompanying component unit financial statements present information only on the funds of the fire district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The district's current operations require the use of only a governmental fund type (General Fund). The General Fund is the general operating fund of the district and is used to account for all of its financial activities.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)

C. FIXED ASSETS AND LONG-TERM DEBT

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the General Fund. Fixed assets are valued at actual historical costs. No depreciation has been provided on general fixed assets. Approximately 97 per cent of general fixed assets are valued at actual cost while the remaining 3 per cent are valued at estimated cost, based on the actual historical cost of like items.

Long-term debt, such as lease purchase payables, are recognized as a liability of a governmental fund only when due. The remaining portion of such obligations is reported in the general long-term debt account group.

D. BASIS OF ACCOUNTING

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues

Ad valorem taxes are budgeted in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)

Intergovernmental revenues are recorded when the district is entitled to the funds.

Interest income on demand and time deposits is recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, intergovernmental revenues and service charges have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGET PRACTICES

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

The proposed budgets, prepared on the modified accrual basis of accounting, were prepared and adopted by the board of commissioners in December 2002. The budget is established and controlled by the board of commissioners at the object level of expenditure. Encumbrance accounting is not utilized in the district's records. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

**FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)**

At December 31, 2004, the district has cash and cash equivalents (book balances) totaling \$101,000.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at December 31, 2004, total \$102,191 and are fully secured by federal deposit insurance.

**G. TOTAL COLUMN ON COMBINED
BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

H. RISK MANAGEMENT

The fire district is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the fire district maintains commercial insurance policies covering general liability, property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 2004.

2. LEVIED TAXES

The district is authorized to levy a maximum tax of 6.89 mills on property within the boundaries of the district for maintenance and operation of the district, and fixed asset acquisition. The district levied 7.19 mills for 2004. The difference between authorized and levied millage is the result of reassessments of taxable property within the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974. The tax will expire with the 2007 tax roll.

**FIRE PROTECTION DISTRICT NO. 6
OF BIENVILLE PARISH
Castor, Louisiana
Notes to the Financial Statements (Continued)**

The following are the principal taxpayers for the parish and their 2004 assessed valuation:

	2004 Assessed Valuation	Per cent of Total Assessed Valuation
Bear Creek Storage Company	\$18,473,710	11.42%
Entergy-Koch Trading, LP	15,414,930	9.53%
Conocophillips Company	6,233,490	3.85%
Centerpoint Energy Gas Trans.	4,711,990	2.91%
Entergy Louisiana, Inc.	4,557,320	2.82%
El Paso Production Company	4,092,770	2.53%
Centerpoint Energy - Arkla	3,774,650	2.33%
Energen Resources	2,917,370	1.80%
Duke Energy Field Services, Inc.	2,569,830	1.59%
Alabama Gas Corporation	2,160,670	1.34%
Total	<u>\$64,906,730</u>	<u>40.11%</u>

3. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended December 31, 2004:

	Balance at January 1,	Additions	Deletions	Balance at December 31,
Land and buildings	\$147,786			\$147,786
Trucks and equipment	410,069			410,069
Communication equipment	21,052	\$338		21,390
Fire fighting equipment	559,510	4,349		563,859
Total	<u>\$1,138,417</u>	<u>\$4,687</u>	<u>NONE</u>	<u>\$1,143,104</u>

4. PENSION SYSTEM

The district has one full-time employee who participates in the social security system. The employee contributes 7.65% of his total salary to social security (FICA and Medicare) which is matched by employer contributions. For the year ended December 31, 2004, employer contributions were \$1,331. Total salaries paid for 2004 were \$15,500. The district does not guarantee the benefits granted by the Social Security System.

FIRE PROTECTION DISTRICT NO. 6
 OF BIENVILLE PARISH
 Castor, Louisiana
 Notes to the Financial Statements (Continued)

**5. CHANGES IN GENERAL
 LONG-TERM DEBT**

The following is a summary of long-term debt transactions for the year ended December 31, 2004:

Note payable at January 1, 2004	\$122,895
Additions	NONE
Reductions	<u>(24,075)</u>
Note payable at December 31, 2004	<u>\$98,820</u>

On July 15, 2003, the fire district entered into a capital lease for a fire truck. The lease had an original recorded amount of \$122,895.

The annual requirements to amortize all general long-term debt outstanding at December 31, 2004, are as follows:

<u>Year</u>	
2005	27,034
2006	27,034
2007	27,034
2008	<u>27,033</u>
Total	108,135
Less amount representing interest	<u>(9,315)</u>
Present value of net minimum lease payments	<u>\$98,820</u>

6. LITIGATION AND CLAIMS

The district is not involved in any litigation at December 31, 2004, nor is it aware of any unasserted claims.